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HOUSE BILL 1908

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State of Washington

56th Legislature

1999 Regular Session

By Representatives Lambert, Cairnes, Kastama, Edwards, Miloscia, Bush, Koster and Talcott

Read first time 02/10/1999. Referred to Committee on Finance.

1 AN ACT Relating to tax exemptions for church and church camp  
2 property; amending RCW 84.36.020 and 84.36.030; and creating a new  
3 section.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 **Sec. 1.** RCW 84.36.020 and 1994 c 124 s 16 are each amended to read  
6 as follows:

7 The following real and personal property shall be exempt from  
8 taxation:

9 All lands, buildings, and personal property required for necessary  
10 administration and maintenance, used, or to the extent used,  
11 exclusively for public burying grounds or cemeteries without  
12 discrimination as to race, color, national origin or ancestry;

13 All churches, personal property, and the ground, not exceeding  
14 ((five)) twenty acres in area, upon which a church of any nonprofit  
15 recognized religious denomination is or shall be built, together with  
16 a parsonage, convent, and buildings and improvements required for the  
17 maintenance and safeguarding of such property. The area exempted shall  
18 in any case include all ground covered by the church, parsonage,  
19 convent, and buildings and improvements required for the maintenance

1 and safeguarding of such property and the structures and ground  
2 necessary for street access, parking, light, and ventilation, but the  
3 area of unoccupied ground exempted in such cases, in connection with  
4 church, parsonage, convent, and buildings and improvements required for  
5 the maintenance and safeguarding of such property, shall not exceed the  
6 equivalent of one (~~hundred twenty by one hundred twenty feet~~) and  
7 one-third acres except where additional unoccupied land may be required  
8 to conform with state or local codes, zoning, or licensing  
9 requirements. The parsonage and convent need not be on land contiguous  
10 to the church property. To be exempt the property must be wholly used  
11 for church purposes: PROVIDED, That the loan or rental of property  
12 otherwise exempt under this paragraph to a nonprofit organization,  
13 association, or corporation, or school for use for an eleemosynary  
14 activity shall not nullify the exemption provided in this paragraph if  
15 the rental income, if any, is reasonable and is devoted solely to the  
16 operation and maintenance of the property.

17 **Sec. 2.** RCW 84.36.030 and 1993 c 327 s 2 are each amended to read  
18 as follows:

19 The following real and personal property shall be exempt from  
20 taxation:

21 (1) Property owned by nonprofit organizations or associations,  
22 organized and conducted for nonsectarian purposes, which shall be used  
23 for character-building, benevolent, protective or rehabilitative social  
24 services directed at persons of all ages. The sale of donated  
25 merchandise shall not be considered a commercial use of the property  
26 under this section if the proceeds are devoted to the furtherance of  
27 the purposes of the selling organization or association as specified in  
28 this paragraph.

29 (2) Property owned by any nonprofit church, denomination, group of  
30 churches, or an organization or association, the membership of which is  
31 comprised solely of churches or their qualified representatives, which  
32 is utilized as a camp facility if used for organized and supervised  
33 recreational activities and church purposes as related to such camp  
34 facilities. The exemption provided by this paragraph shall apply to a  
35 maximum of (~~two~~) four hundred acres of any such camp as selected by  
36 the church, including buildings and other improvements thereon.

37 (3) Property, including buildings and improvements required for the  
38 maintenance and safeguarding of such property, owned by nonprofit

1 organizations or associations engaged in character building of boys and  
2 girls under eighteen years of age, and used for such purposes and uses,  
3 provided such purposes and uses are for the general public good:  
4 PROVIDED, That if existing charters provide that organizations or  
5 associations, which would otherwise qualify under the provisions of  
6 this paragraph, serve boys and girls up to the age of twenty-one years,  
7 then such organizations or associations shall be deemed qualified  
8 pursuant to this section.

9 (4) Property owned by all organizations and societies of veterans  
10 of any war of the United States, recognized as such by the department  
11 of defense, which shall have national charters, and which shall have  
12 for their general purposes and objects the preservation of the memories  
13 and associations incident to their war service and the consecration of  
14 the efforts of their members to mutual helpfulness and to patriotic and  
15 community service to state and nation. To be exempt such property must  
16 be used in such manner as may be reasonably necessary to carry out the  
17 purposes and objects of such societies.

18 The use of the property for pecuniary gain or to promote business  
19 activities, except as provided in this subsection (4), nullifies the  
20 exemption otherwise available for the property for the assessment year.  
21 The exemption is not nullified by:

22 (a) The collection of rent or donations if the amount is reasonable  
23 and does not exceed maintenance and operation expenses.

24 (b) Fund-raising activities conducted by a nonprofit organization.

25 (c) The use of the property for pecuniary gain for periods of not  
26 more than three days in a year.

27 (d) An inadvertent use of the property in a manner inconsistent  
28 with the purpose for which exemption is granted, if the inadvertent use  
29 is not part of a pattern of use. A pattern of use is presumed when an  
30 inadvertent use is repeated in the same assessment year or in two or  
31 more successive assessment years.

32 (5) Property owned by all corporations, incorporated under any act  
33 of congress, whose principal purposes are to furnish volunteer aid to  
34 members of the armed forces of the United States and also to carry on  
35 a system of national and international relief and to apply the same in  
36 mitigating the sufferings caused by pestilence, famine, fire, floods,  
37 and other national calamities and to devise and carry on measures for  
38 preventing the same.

1 (6) Property owned by nonprofit organizations exempt from federal  
2 income tax under section 501(c)(3) of the internal revenue code of  
3 1954, as amended, that are guarantee agencies under the federal  
4 guaranteed student loan program or that issue debt to provide or  
5 acquire student loans.

6 (7) To be exempt under this section, the property must be used  
7 exclusively for the purposes for which exemption is granted, except as  
8 provided in RCW 84.36.805.

9 NEW SECTION. **Sec. 3.** This act applies to taxes levied for  
10 collection in 2000 and thereafter.

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